

DRAFT

Title V

Implementation Plan



Division of Air Pollution Control
Workload Analysis
2007-2008

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Executive Summary

Implementation of Title V
By the
State of Tennessee
Department of Environment and Conservation
Division of Air Pollution Control

The Division of Air Pollution control is proceeding toward meeting the goals identified within the Clean Air Act Amendments of 1990 (CAAA) and its implementing regulations. The proposed methods for implementation and the evidence of financial adequacy to implement and operate a federally acceptable CAAA Title V Operating Permit Program (Title V Program) are described herein.

There were many changes and substantive differences in the body of regulations that comprise the Amendments to the Act. None are as far reaching in effect as the regulations that detail the procedures for an operating permit program for air contaminant sources and for assessment and collections of fees to allow the sources that are regulated to pay for the permitting related activities. Each permitting authority has undertaken to identify, inventory, assess and issue permits to any affected sources. Title V fee collection now provides the means for each state air pollution program or permitting authority to fully fund Title V work efforts.

The Division of Air Pollution Control within the Tennessee Department of Environment and Conservation is responsible for permitting air contaminant sources in Tennessee. Upon review and acceptance of the Title V permitting program by the Environmental Protection Agency (EPA) on August 28, 1996, this Division became the State's major source Title V permitting authority in 91 of 95 counties in Tennessee. Davidson, Hamilton, Knox and Shelby counties have local air pollution control programs that operate under Certificates of Exemption from the Tennessee Air Pollution Control Board. These agencies regulate the Title V sources within their jurisdictions. Their activities are not addressed in this document.

The implementation plan consists of 7 separate functional units that have various responsibilities and functions related to Title V. Briefly these units are:

- Administration
 - Administrative Services
 - Directors Office
 - Office of General Counsel
 - Small Business Assistance
 - Support Staff
- Compliance Validation
- Enforcement
- Environmental Field Offices
- Mobile and Air Resource Management
 - Local Program
- Permitting and Regulatory Development
- Technical Services
 - Lab Services

The activities of each of these units are described in the implementation report, which is attached. Each functional unit has identified that portion of its total workload that can be attributed to Title V activities.

Title V related activities will involve 87.67 full-time employee (FTE) positions. It is anticipated that revenues generated by the Division's Title V related activities will be sufficient to fund the necessary positions including direct and indirect operating costs. An accounting statement is included to address revenues and expenses in the report.

The minimum estimated Allowable Emission Fee rate to accomplish this goal is:

\$27.50 / Chargeable Ton of Emissions

The minimum estimated Actual Emission Fee rate to accomplish this goal is:

\$38.00 / Chargeable Ton of Emissions

The Tennessee Air Pollution Control Board has established for 2007-2008 a minimum fee of \$5,000 per Title V facility.

The Division projects these revenues and this level of staffing will continue to be adequate to implement and operate a federally acceptable Title V Permitting Program in Tennessee under the current EPA guidance.

The part 70 presumptive minimum fee effective for the 12-month period of September 1, 2007 through August 31, 2008 is \$41.96. This fee amount represents an increase of 2.29% (\$0.94) from the fee rate in effect for the prior 12-month period (\$41.02). This increase is based on a calculation of the average monthly change in the Consumer Price Index (All Urban Consumers) for the 12-month period of September 2006 through August 2007 as reported by the U.S. Bureau of Labor Statistics.

INTRODUCTION

On November 15, 1990, President Bush signed into law the new Clean Air Act. (42 USC 7401 et seq.) Title V of the Act mandates that states develop a Title V operating permit program. The federal Act further mandates that the program be funded solely through fee collections. Additionally, the activities of a Small Business Assistance Program must also be paid for through fee collections. Under a presumptive analysis, these fees must be “inflation proofed” through automatic increases consistent with the federal government’s annually published Consumer Price Index (CPI) [See Section 502(b)(3)]. The Tennessee Air Pollution Control Board has elected to prepare an annual workload analysis and set the fees for the current year instead of using the presumptive approach.

The EPA regulations promulgated to implement and more thoroughly describe Title V may be found at 40 CFR Part 70. Section 70.9 of the federal regulations describes the requirements for the fees in detail.

The workload analysis is prepared to provide justification of fees to the public, the regulated community and the EPA. Disclosure of this information leads to the development of informed consent and therefore acceptance of the program by all parties.

There are many complex requirements mandated in the federal Act and the Part 70 regulations that serve to demonstrate that the State-permitting agency will be able to carry out its responsibilities. Section 70.4(b)(8) calls for a description of the program, a demonstration of fiscal soundness of the planned program based on fee projections, and planning for adequate personnel to administer the program.

A few caveats:

Several things could happen to require that the workload analysis be revised and subsequently modified. These possibilities include but are not limited to:

- Changes in the actual or allowable emissions base upon which the fee rate was calculated.
- Changes in the air contaminant source population will alter both the emission base and the workload. Tennessee has elected to defer regulating non major sources as Title V sources until EPA completes its evaluations of such sources in accordance with the provisions of 40 CFR Paragraph 70.3(b). Many sources are seeking “conditional major” status wherein they opt out of Title V by limiting their potential to emit via a federally enforceable limitation. The Division views the work effort to make a Title V source a conditional major source as Title V work. These sources will require more frequent inspections and record reviews to verify that they are operating below the conditional threshold.
- Changes in applicable requirements mandated by EPA will also alter the workload.

The workload analysis is provided for each functional unit of the Division. The work of each unit plus the Title V work from the Office of General Counsel, Laboratory Services, and Small Business Assistance Program is described as it is thought to relate to the requirements of Title V. The activities are then converted to estimated hours necessary to accomplish the task and the numbers of tasks to be completed per year are projected. (The exceptions to this computation are Laboratory Services Contract Funds, which are expressed in dollars as a direct expense of the Title V program.)

Combining the hours projected to complete the Title V work and dividing it by 1,609 hours per employee available work time yields the total number of employees needed to conduct Title V work.

The 1,609 hours of work time per employee was derived as follows:

Scheduled Payroll Hours Per Year	=	1,950
Less: Holiday, Vacation & Sick Leave Hours (12.5 Days + 21 Days + 12 Days) X 7.5 hrs./day	=	<u>- 341</u>
Total Work Hours Per Employee	=	<u><u>1,609</u></u>

ADMINISTRATIVE SERVICES**CALCULATION BASIS**

Actual data compiled from activities documented during the past fiscal year can be used as a guide for projecting the Administrative Services Program workload for this fiscal year. Administrative time spent on Title V program activities is based on the total Division's ratio of Title V work activities and non-Title V work activities.

ASSUMPTIONS

Administration involves activities indirectly associated with support of the Title V program. These activities include personnel activities, processing all the travel claims and purchasing for the Division.

Cost accounting function involves compiling activity sheets prepared by the employees of the Division to determine the cost of salaries between Title V and non-Title V. Costs that can be identified as Title V costs will be charged to the Title V program.

Permit fee program administration includes fee structure development; assessment of fees, projection of fee revenues and program costs, and cost accounting is now a shared divisional and department's consolidated fee collections group responsibility.

The Annual Workload Analysis has become a major project for this program area and is anticipated to become more complex each year.

Available work time per FTE is 1,609 hours per year.

TITLE V ACTIVITY	ESTIMATED TOTAL HOURS
Administrative Services	2,650
Assessing and Collecting Fees	3,200
Cost Accounting and Reporting	1,898
Budgets and Projections	500
TOTAL HOURS	7,248

Combining the hours projected to complete the Title V work and dividing it by the 1,609 hours per employee available work time yields the following number of full time employees (FTE) doing Title V work in the Administrative Services program.

$$\underline{\underline{7,248 \text{ hours} / 1,609 \text{ hours} = 4.5 \text{ FTE}}}$$

DIRECTOR'S OFFICE

CALCULATION BASIS

Actual data compiled from activities documented during the past fiscal year can be used as a guide for projecting the Director's Office workload for this fiscal year. The Director's staff time spent on Title V program activities is based on the total Division's ratio of Title V work activities and non-Title V work activities.

ASSUMPTIONS

The office of the Director is responsible for overseeing the operation of the functions necessary for the development and performance of the Title V Program.

The Director's office is also responsible for coordinating and providing technical support to the Air Pollution Control Board in matters pertaining to the Title V Program.

The Director's office provides program direction and oversight, coordinating Departmental goals with division programs and providing support documents and informational documents for the Department and legislature concerning the operation of the Title V Program.

TITLE V ACTIVITY

Direction of Program
Oversight of Responsibilities
Technical Secretary Activities

Total Estimated Hours 3,840.6

Total FTE 2.4FTE

OFFICE OF GENERAL COUNSEL**CALCULATION BASIS**

Attorneys with the Office of General Counsel will be assigned to support the division in several program areas as required.

ASSUMPTIONS

Office of General Counsel provide support for:

- The Permitting Program
- (1) Regulations and Standards Development
 - (2) Interpretation of Regulations and SIP
 - (3) Rulemaking

Enforcement Program – Interpretation of regulations where controversy might be involved and provides legal counsel.

Fees – Pursue collection of unpaid fees, including interest and penalty. Assist in the interpretation of statutes relative to fees and fee collection. Draft necessary documents to secure payment of fees to the Division.

AVAILABLE WORK TIME PER FTE**1609 HOURS PER YEAR**

ACTIVITY	ESTIMATED HOURS
Air Resources Program	709
Enforcement	800
Fees	100
TOTAL HOURS	1609

Combining the hours projected to complete the title V work and dividing it by the 1,609 hours per employee available work time yields the following number of full time employees (FTE) doing Title V work in the Office of General Counsel.

FTE = 1,609 hours/1,609 hours per year

TOTAL FTE = 1.0

Small Business Environmental Assistance Program

Program Overview

The 1990 Clean Air Act Amendments required each state to establish an environmental compliance assistance program to support small businesses in understanding and complying with environmental regulations. Tennessee's Small Businesses Environmental Assistance Program was established to meet this requirement.

Small Business Criteria

A company must meet certain criteria to qualify as a small business for assistance. A small business: must have 100 or fewer employees, not a major stationary source and meets the federal Small Business Act definition of a small business.

Required Program Components

(1) State Ombudsman (Advocate)

The Small Business Advocate (Air) represents small business in air pollution regulatory matters and identifies and proposes solutions to small business technical and compliance problems.

(2) Environmental Technical Assistance

Technical Assistance staff provide technical, administrative, and permitting assistance. Staff inform businesses of regulatory requirements in easy-to-understand language. When needed staff will conduct onsite visits and provide training opportunities.

(3) Compliance Advisory Panel (CAP)

Each State is to establish an advisory panel comprised of individuals appointed by the governor and the legislature with one Department representative. The Panel advises and provides technical, administrative and evaluation assistance the program.

Program Priorities 2007-2008

New Regulations

Staff will review regulations, determine potentially impacted sources, develop a strategy for notification and assistance, develop compliance assistance tools and work with regulatory programs on outreach activities. Continue staff participation in monthly conference calls on regulations.

Residual risk regulations affecting small businesses:

Drycleaners: New regulations promulgated in 2006 require additional monitoring, including the use of an instrument. Facilities must certify compliance by July 2008.

New area source regulations:

EPA is under a consent decree to issue the rules required by the Clean Air Act. Their plan is to issue 10 new rules every six months. There is a total of 70 affected area categories

Existing Sources

Staff will continue to respond to small business compliance questions.

Staff will monitor enforcement reports to determine sectors with compliance problems and develop compliance strategies

The yearly employee available work time total is 1,609 hours for this analysis.

ACTIVITIES	ESTIMATED HOURS	ESTIMATED FTE
Compliance assistance	2,413.5	1.5
Workshops/training events	804.5	0.50
Material development	804.5	0.5
Regulatory Development/Notification	1,609.0	1.0
Administration	804.5	0.5
TOTAL	6436	4.0

Tennessee Small Business Environmental Assistance Program (SBEAP)

Accomplishments of 2006

The SBEAP was mandated under the Clean Air Act and established to assist small businesses with their compliance issues. The Program provides free confidential assistance on matters such as

permitting, and compliance. Services include onsite visits, training, a toll free hotline, regulatory notifications, outreach, and preventing and eliminating non compliance situations. Program 2006 accomplishments include the following activities described below.

WORKSHOPS/PRESENTATIONS

- Program overview and Stage 2 gasoline dispensing permitting overview for Air Pollution Control permit writers
- Energy presentations at the Annual Solid Waste Conference and Hilldale United Methodist Church
- Environmental compliance and permit application seminar for Ready Mixed Concrete facilities and a presentation at the 20th Annual Tennessee Concrete Association meeting.
- Four stormwater outreach workshops funded through a grant from the Environmental Council of States for small communities.
- Presentation on *Compliance Assistance At Its Best* at the National Environmental Summit.
- Program overview and activity summaries at two staff retreats and the Tennessee Department of Transportation Leadership Training

PROJECTS

- Regulatory Notifications:
 - Stage I Vapor Recovery regulatory and compliance information provided to 1200+ gasoline dispensing facilities
 - Toxic Release Inventory and Emergency Planning and Community Right to Know Act reporting reminder and assistance information to 300+ ready mixed concrete facilities
- The web page enhancement to disseminate regulatory compliance information and tools.
- Staff implemented a grant from the Environmental Council of States to conduct outreach to small communities. A survey and four train the trainer workshops were conducted.
- Staff developed and submitted the Department's required 2006 Title VI Implementation Plan Revision.
- Staff researched, developed, proposed and successfully negotiated Department disadvantaged business utilization goals with EPA. All federal funding was dependent on the successful negotiations
- Articles developed for Association newsletters on new regulatory requirements and compliance issues:
 - Four articles developed and submitted to the Tennessee Fabricare Institute (drycleaner association).
 - One article was published in the Tennessee Oil Marketers Association newsletter on new state regulations.

EVENTS

Program staff participated in events that included staffing booths and answering environmental questions. The events included:

- Four Earth Day Celebrations – Nashville Technological State Community College; Middle Tennessee State University; Fort Campbell; and Centennial Park.
- Conservation and Renewable Energy Fair in Hartsville, Tennessee
- World Food and Fuel Expo – targeting gasoline-dispensing facilities,
- Planting Pollution Prevention Conference – Burns, Tennessee
- Saturn Hybrid Vue Unveiling, Springhill, Tennessee
- Great American Clean Up Clothing Drive, Nashville, Tennessee
- Manufacturers Summit, Nashville, Tennessee
- Dell computer recycling event

ON SITE VISITS : 6

PERMIT APPLICATION ASSISTANCE : 183

Staff assisted facilities in applying for needed permits. Needed application forms and guidance on their completion were provided.

GENERAL COMPLIANCE ASSISTANCE : 409

Staff responded to inquiries on determining whether regulations apply to a facility, where to send forms or notifications, referrals to other regulatory programs, whether there are regulations in Tennessee impacting an industry, alternative compliance methods, and determining needed permit(s).

SUPPORT STAFF

Support staff services include reception, records management, timekeeping, word processing, photocopying, proofreading, permit and case processing, mail and other clerical duties.

This Fiscal Year project will require more Title V permits to be issued because of permit renewal and new emission guidelines.

Adequate Support Staff is essential for efficient workflow of the Title V Program.

CALCULATION BASIS	<ul style="list-style-type: none"> Actual time for processing permits and case files based on increased Program projections for fiscal year were appropriate.
ASSUMPTIONS	<ul style="list-style-type: none"> Actual time for reception is based on 9 hours per week for 5 Full Time Employees (FTEs) since full-time reception position was abolished.
	<ul style="list-style-type: none"> General clerical work will increase based on the increased workload in programs where noted.
	<ul style="list-style-type: none"> Available work time per FTE = 1609 hours per year.

<u>Title V Activities</u>	<u>Estimated Total Hours</u>
Permit and Case Processing	3,254
Records Management	2,667
Reception, mail, etc	2,340
Word Processing	2,080
Timekeeping	1,260
General Clerical Duties	1,040
TOTAL	12,641

Combining the hours projected to complete the Title V work and dividing it by the 1609 hours per employee available work time yields the following number of full time employees (FTE) doing Title V work in the Support Staff Program:

$$\text{FTE} = 12,641 \text{ hours} / 1609 \text{ year}$$

$$\text{FTE} = 7.8$$

COMPLIANCE VALIDATION

The Compliance Validation Program is an enforcement tool for the Division. Compliance Validation provides a key component in the Division of Air Pollution Control's quality assurance program that insures the accuracy of the data being submitted by Title V Sources certifying compliance. Continuous Emission Monitoring Systems (CEMS) are utilized by some Title V sources to determine compliance on an on-going basis. Compliance Validation will conduct audits of CEMS data to insure the data submitted is accurate. Compliance Validation conducts Visible Emission Evaluator Certification (VEE) schools to train state and industry personnel to certify compliance with visible emission standards. The Compliance Validation Program also utilizes its source testing capabilities to determine compliance of Title V sources with respect to mass emission standards. Sources with control equipment are periodically checked to assure that control equipment is being maintained and monitoring parameters are sufficient. The Compliance Validation group is also responsible for oversight of the Fleming Training Center Coordinator. The Coordinator is responsible for satellite downlink teleconferences and video courses at the Fleming Training Center in Murfreesboro, Tennessee. This resource is a valuable tool for training of staff for work with Title V sources as well as receiving the latest information updates from EPA officials.

Summary

The major work functions performed by Compliance Validation are described and estimates provided for the FTEs needed to adequately maintain the workload created by the permit requirements of the Title V sources. In summary, a wide variety of Title V services are performed for the Division by the Compliance Validation Program. The new Title V permit requirements will continue to challenge this program's function of ensuring compliance with the Division's rules and regulations.

The average total work hours per employee for the Division was calculated to be 1,609 hours.

Activity	Estimated Hours
Title V CEM Activities	2,500
Title V VEE School Activities	200
Title V Source Testing Activities	6,600
Fleming Training Center	150
Program Management	1,600
 Total Hours	 11,050
 Total FTE	 6.87

Total FTE was derived by dividing the total hours to be worked by the total working hours of the average Division employee.

ENFORCEMENT**CALCULATION BASIS**

Actual data compiled from activities documented during previous fiscal year has been used as a guide for projecting the Enforcement Program Workload Analysis for State Fiscal Year 2007. Previous data indicates enforcement activity for staff performing only enforcement work at 3,192.9 hours per year.

ASSUMPTIONS

Title V noncompliance issues may increase as more new Title V permits are issued with Compliance Assurance Monitoring (CAM) requirements and the resultant semiannual reports are reviewed. Additional Title V noncompliance issues include working with EPA as they conduct audits of the Annual Compliance Certificates for Title V sources with High Priority Violations (HPV) and determining which violations are HPV. Although, the noncompliance rate among the existing Title V source population (companies) appears to be dropping, the existing noncompliance issues are becoming more complex.

Available work time per FTE is 1,609 hours per year.

ACTIVITY	FY 2007 PROJECTED HOURS
Administration	193.4
Case Processing	541
Enforcement Related Activities	699.3
Personnel & Supervision	1143.5
Special Projects	201.9
Training	413.8
TOTAL FY 2007 PROJECTED HOURS	3,192.9

Available work time yields the following number of full time employees (FTE) doing Title V work in the Enforcement Program:

$$3,192.9 \text{ hours} / 1,609 \text{ hours} = 1.9 \text{ FTE}$$

ENVIRONMENTAL FIELD OFFICES

Field Services Program staff are located throughout the state in seven Environmental Field Offices. There are currently 39 positions assigned to the program. The 2007-2008 year will begin with field services having all 39 positions filled. Only four of the employees are not considered to be fully trained as we begin this inspection year. Because of the complexities of the job, it takes approximately one full year for a new employee to be independent in their work. Two of these new employees will have completed a year of service by the end of 2007 and only one will not have a year of service until midway through the 2007-2008 inspection year. Even though they are not completely independent, they are able to perform various tasks under close supervision.

Major duties accomplished by field services staff that are associated with the Title V program include compliance inspections at major stationary sources, operation and maintenance of the state's ambient air monitoring network and investigation and resolution of complaints.

Other duties include responding to inquiries from citizens, local officials and the regulated community, review and discussion of draft permits, follow-up on enforcement related issues, staff training, involvement in emergency response incidents, participation in public meetings and hearings and various special projects and maintenance of reports, records and other correspondence.

CALCULATION BASIS	<ul style="list-style-type: none"> *Actual time from activity sheets from July 1, 2006 through June 30, 2007 **Projected time - based on information from Permitting 		
ASSUMPTIONS	<ul style="list-style-type: none"> Each Title V inspection is projected to take 30 hours, based on most recent historical data There are 248 Title V sources Source inspection time relates to Federal fiscal year Available work time per FTE is 1,609 hours per year 		
ACTIVITY	Estimated Hours Per Inspection	Estimated Total Inspections	Estimated Total Hours
Title V Inspection	30	248	7,440
*Training			6,722
*Complaint Investigations			235
*Ambient Monitoring			5,505
Program Management			595
**Public Hearings			40
*Other Title V Activities			2,176
TOTAL			22,713
Combining the hours projected to complete the Title V work and dividing it by the 1609 hours per employee available, work time yields the following number of full time employees (FTE) doing Title V work in the Environmental Field Offices.			
<div> <div>22,713 hours/1609 hours/year</div> <div>=</div> <div>FTE = 14.1</div> </div>			

MOBILE & AIR RESOURCES MANAGEMENT PROGRAM
2007

CALCULATION BASIS: Actual time from activity sheets for FY06-07 and projections where appropriate. Available work time per FTE is 1,609 hours per year.

The MARM Program has the following responsibilities:

- Managing all aspects of the Middle Tennessee Vehicle Emission Testing Program and its associated functions including contract negotiation and administration, public outreach, vehicle exemptions, waivers/variances, rule development and Mobile model analyses.
- Transportation Conformity involving the development of mobile emissions budgets, calculating emission credits associated with mobile sources using the latest version EPA Mobile model, and producing periodic emission inventories of the sources for submission to the EPA. Conformity responsibilities include implementation of any new rules or guidance, as well as being an active participant in the Interagency Consultation Procedures. Consultation Procedures involve EPA, FHWA, TDOT, State & local air agencies, and Metropolitan Planning Organizations.
- Asbestos Renovation/Demolition Program (Statewide), which includes inspections and management of the division's local database and updating EPA's Asbestos database (NARS).
- Managing the division's internal Compliance databases and updating EPA's Compliance and Enforcement databases (AIRS-AFS).
- Managing the division's Air Emission Inventory (AEI), and in concert with the University of Tennessee Knoxville updating EPA's AEI database (NET).
- Managing certain internal APC databases, e.g. employee Time & Activity, and the computer hardware/software inventories.
- Managing all aspects of the division's computer hardware including purchasing, troubleshooting, training, and problem resolution.
- Managing all aspects of the division's computer software including purchasing, troubleshooting, training, and problem resolution.
- Various special projects, usually technology related, on an as needed basis. Major projects in this area currently include Ozone Early Action Compacts and Ozone and PM2.5 non-attainment issues, Best Available Retrofit Technology (BART) source identification, and emission inventories for regional haze issues (VISTAS).
- Local Program Coordination with the four local air programs (Nashville/Davidson, Memphis/Shelby, Chattanooga/Hamilton, and Knoxville/Knox) to ensure local air regulations are as stringent as State requirements, as well as other oversight duties.

The Vehicle Emission Testing and the Asbestos Renovation/Demolition Programs are exclusively non-Title V activities. All other aspects of the MARM Program responsibilities have Title V components.

ACTIVITY	HOURS
AFS Data Management	800
Air Emission Inventory	200
APC Data Management (Time/Activity, etc.)	1,200
Computer Hardware	600
Computer Software	400
Special Projects (O3 EACs, O3/PM2.5 N-A, etc.)	100
Local Program Coordination	500
Other (Training, Board Support, Regs, etc.)	100
TOTAL	3,900

Combining the hours projected to complete the Title V work and dividing it by the 1,609 hours per employee available work time yields the following number of full-time employees (FTE) doing Title V work in the Mobile & Air Resources Management Program:

$$\mathbf{3,900\ hours/1,609\ hours = 2.4\ FTE}$$

PERMITTING AND REGULATORY DEVELOPMENT

Staffing: Permitting and regulatory development staff are located in the Nashville Central Office, and are divided into four (4) programs – East Tennessee Permitting, Middle Tennessee Permitting, West Tennessee Permitting, and Emissions Inventory. Regulatory development is handled by staff from each program. An Environmental Protection Specialist 7 oversees all 4 programs. East Tennessee has fifteen (15) total positions, fourteen (14) of which are currently filled. Middle Tennessee has thirteen (13) total positions, twelve (12) of which are currently filled. West Tennessee has fourteen (14) total positions, twelve (12) of which are currently filled. Emissions Inventory has three (3) total positions, all of which are currently filled. Projections for the 2007-2008 fiscal year were made using data from activity sheets for July 2006 through June 2007, the current backlog, and manager judgment. Available work time per full-time employee is estimated to be 1,609 hours per year.

Responsibilities: The permitting and emissions inventory programs have the following responsibilities:

- Issuance of minor source construction and operating permits; issuance of minor source operational flexibility determinations. (funding for minor source permitting is not included in this analysis)
- Issuance of conditional major source construction and operating permits. (only funding of the first conditional major operating permit for a facility is included in this analysis)
- Issuance of construction permits to Title V facilities; Title V operating permits; and administrative amendments, operational flexibility, and minor and significant modifications to Title V operating permits.
- Issuance of Prevention of Significant Deterioration (PSD) and Non-Attainment New Source Review (NSR) construction permits.
- Permit related regulatory development and development of State Implementation Plan (SIP) submittals.
- Review of MACT and Title V semi-annual reports (SAR's) and annual compliance determinations (ACC's).
- Issuance of Notices of Violation; High Priority Violation (HPV) determinations; preparation of Technical Secretary's Orders.
- The Emissions Inventory Program will begin assuming some of the responsibilities currently performed under contract by the University of Tennessee (UT) Knoxville.
- Special projects as assigned. Only those related to Title V sources and major NSR permitting are included here.
- Attend training sessions to stay knowledgeable of federal and state requirements, and to be familiar with source types and new emission control devices.
- Manage the programs effectively and responsibly.

Backlogs of permit applications, enforcement orders, and reports developed over the last few years due to loss of key personnel. Ten new permit writers were hired in fiscal year 2006-2007, and eleven Division employees were promoted and given additional responsibilities. The Division is actively training these newly-hired and promoted individuals, and will endeavor to eliminate the backlogs as quickly as possible.

Construction Permits: The time required to draft construction permits for new Title V (not subject to major New Source Review) and conditional major facilities, existing Title V facilities not in possession of their Title V operating permit, and facilities undergoing significant modifications is considered Title V time. Applications must be reviewed for completeness, public notices must be prepared, and the information reviewed for accuracy. Permit writers must then apply the rules of the TAPCD and prepare the permit(s). In some cases this may require modeling. Some modeling and review of modeling performed by the subject facility is performed by permit writers, while the Technical Services Program does the remaining modeling and review.

The time required to draft construction permits for facilities subject to major New Source Review (NSR) is also included in this analysis. Major NSR includes Prevention of Significant Deterioration (PSD) permits and non-attainment NSR permits (these sources are subject to the provisions of the Growth Policy in the Tennessee Air Pollution Control Regulations [TAPCR]). These are some of the most complex permits the Division issues, and require significantly more time to prepare the permit for issuance. Best Available Control Technology (BACT)

and/or Lowest Achievable Emission Rate (LAER) must be applied to these permits. Facilities are required to conduct detailed modeling, and review of this modeling is performed by permit writers and the Technical Services Program.

First time Title V Operating Permits: “First issuance” Title V permits must undergo extensive processing. “First issuance” of Title V permits includes a review of the application to determine if it is complete. If considered incomplete several months may transpire until the application is deemed complete. Title V permit applications received after April 20, 1998, may be subject to Compliance Assurance Monitoring (CAM) review. Sources subject to CAM require considerably more time to process since the CAM plan must be considered acceptable or modified to be acceptable. All new and existing Title V sources must be reviewed to determine if the source is subject to new or existing MACT requirements. In some cases future MACT compliance dates allow the facility to comply utilizing compliance options. Due to these additional requirements and deliberations, more review time and permit language are needed to be placed in the Title V permit. Reviewing MACT and ensuring that MACT requirements are included has added significantly to the processing time involved in Title V permitting, especially for the more extensive MACT requirements. Once the application is deemed complete, several draft iterations result. Three to five iterations of a draft permit are not uncommon. This involves discussions concerning proposed permit conditions that must be eventually resolved with the permittee and/or their consultant. The respective Environmental Field Office staff also comment on the permit draft. In many cases, plant visits are made to verify the operations, control, and compliance assurance methods for control and resolve what is appropriate to monitor control equipment parameters. The draft permit is sent to a local public depository in the county or community of concern as well as to EPA for review. All draft permits are sent out for public notice and a public hearing may be requested during the 30-day public comment period. If such a request is made, a public hearing is then scheduled. This adds additional time requiring another 30-day notice period to announce the hearing location and date of the hearing. Comments that result must be addressed to the satisfaction of EPA and then the final permit is prepared.

Depending on the complexity of the facility, size of the source, and amount of involvement by the public, the permit processing time can significantly increase. Title V permits that are located in communities that have active environmental groups typically have an extended processing time. In summary, Title V permits from complex sources, large facilities, those subject to CAM and/or MACT, and those subject to public hearings often require an extended processing time compared to that of other Title V permits.

Title V Operating Permit Renewals: Title V renewals may require less processing time than “first issuance” Title V permits provided there are no new requirements. Most of the original Title V requirements will still apply to a renewed permit. Renewal applications are examined for adequacy. Incomplete letters may be sent out at the time of review. Some facilities subject to Compliance Assurance Monitoring (CAM) requirements fail to include a CAM plan in their renewal application. This increases the permit processing time and delays the permit issuance. Revisions are typically needed to update the permit and incorporate all the previous permit revisions such as significant modifications, minor modifications, operational flexibility, and administrative permit amendments. Five or more revisions to a permit are not unusual. Permit language and requirements must also be updated. A good number of Title V renewals will incur additional requirements so the processing time for renewals may increase as compared to the original Title V permit. The older or first issuance permits may not have been subject to CAM or MACT since these provisions were not applicable at the time. Review of CAM and MACT applicability requirements are typically invoked at renewal and can require considerable time. Permit language may be more involved and this is dependent on the complexity of the MACT, any associated compliance options, and review and approval of the proposed CAM plan submitted by the permittee. CAM rules that did not apply to the first time Title V permits must be reviewed for applicability since renewal dates are beyond the April 20, 1998 CAM rule effective date. The renewal permit reflects an updated permit so additional corrections, permit hygiene, and requirements add to the processing time. Interaction with the Division, the permittee, and consultants to resolve these issues can also add to the permit processing time. Renewals may involve plant visits, environmental field office review, addressing remarks on the permit draft, and a possible public hearing. The EPA review period of the permit draft can now be shortened due to the possibility of concurrent processing within 45 days. Based on the facility and the complexity of the issues, the permit processing time can be extended for the reasons listed above.

Title V Permit Modifications: Title V permit modifications are available to Title V facilities which hold a current major source (Title V) operating permit. The facility owner or operator may request changes or modifications to the Title V operating permit, in accordance with provisions of the Tennessee Air Pollution Control Regulations

(TAPCR). Depending upon numerous factors, the requested permit changes are made through one of four permit modification procedures.

- Significant permit modification procedures of TAPCR 1200-3-9-.02(11)(f)5.(iv)
- Minor permit modification procedures of TAPCR 1200-3-9-.02(11)(f)5.(ii)
- Operational flexibility provisions of TAPCR 1200-3-9-.02(11)(a)4.
- Administrative amendment provisions of TAPCR 1200-3-9-.02(11)(f)4.

It is noted that the amount of staff time required for the various types of permit modifications will vary from one type to another. However, the greatest variation is evident between the significant permit modification and the other three categories. It is only the significant permit modification that requires the issuance of a construction permit and the completion of public participation procedures. The public participation procedures for significant permit modifications is the same as it is for issuance of Title V and conditional major permits. The need for construction permits and public participation, along with the additional complexity associated with most significant permit modifications, cause them to require more staff time (and a longer timeframe) when compared to the other three categories. Therefore, for the purposes of this study, the latter three categories were combined under the title of “non-significant modifications”.

First-time Conditional Major Permits: The time required for first issuance or “first-time” conditional major (CM) permits is considered Title V. After a source receives a CM permit, subsequent work is designated as non-Title V. Conditional major facilities may be new sources or existing sources. Sources “opting-out” of Title V are “bumped down” and processed as first-time CMs. True minors that increase in emissions such as production increases or plant expansion may have an increased potential to approach Title V thresholds of 100 tons/yr from criteria pollutants or 10 tons of an individual hazardous air pollutant (HAP) or 25 tons/yr of a combination of HAPs. Such facilities can then agree to limit such potential and obtain a CM permit. An updated application for all emission sources at the facility is then prepared and submitted to the Division for review. This application must be comprehensive and include all the appropriate APC forms such as APC-21, 22, and customized forms for each operation. The application must address all the emissions sources at the plant with the most recent and corrected information. A careful review of this application is conducted by the permit writer and notification of an incomplete application is sent to the facility. This requires additional processing time until the application is deemed acceptable. Agreed limits are then taken to ensure the emission levels do not exceed the applicable thresholds that would make such a source subject to Title V. This is accomplished by adhering to the enforceable permit conditions that limit the pollutant(s) of concern that would result in a source being classified as a Title V source. The facility must propose appropriate yearly recordkeeping measures to verify the on-going data will be adequately and accurately compiled for each 12-month period. Once the Division concurs with such recordkeeping, the permit conditions are included in the permit to ensure a CM status is being maintained on an on-going basis.

CMs, also known as Federally Enforceable State Operating Permits (FESOPs), must have a public notice and 30-day public comment period. These permit drafts are also sent to EPA Region IV for their review and follows a review path similar to that of Title V permits. CM permit processing continues to be an on-going task each year due to changes in the emission status of sources and new sources that enter the state.

Regulatory Development and SIP Submittal Preparation: Title V and NSR permitting-related regulatory development and State Implementation Plan (SIP) submittals are included in this analysis. The SIP submittal for the new PM_{2.5} NAAQS is due April 5, 2008; and the regional haze submittal is due December 17, 2007. Work toward these submittals is underway. USEPA promulgated a new fine particulate standard September 21, 2006 and proposed a new ozone standard June 21, 2007. Additional changes to the SIP will be required to incorporate these revised standards.

Reports and Certifications: Title V semi-annual reports and annual compliance certifications are submitted to the Division by Title V permitted facilities. Some of these facilities are also required to submit MACT semi-annual and/or annual reports. The semi-annual reports contain compliance assurance periodic monitoring data and related recordkeeping documentation. Permitted facilities are allowed to summarize the collected data. Division personnel must carefully review these reports to identify any deviations (exceedances or excursions) from permit requirements. Annual compliance certifications summarize the compliance status of the permitted facility with each permit

condition and contain a listing of the deviations from permit requirements for the past two semiannual reporting periods (12 month period).

The review of semi-annual reports and annual compliance certifications may involve detailed review of numerous recordkeeping documents (e.g., log sheets and calculations), and on occasion, Division personnel may be required to request additional supporting information to complete the report review. In addition, the permitted facility's compliance with NESHAPS / MACT (National Emissions Standards for Hazardous Air Pollutants for Source Categories) and CAM (Compliance Assurance Monitoring) requirements, if applicable, must be determined. (Review of MACT reports is included in this category.) When deviations from permit requirements are identified from review of the semi-annual report or annual compliance certification or the report submittal is determined to be late or deficient, Division personnel will issue a Notice of Violation to the permitted facility. The Notice of Violation will be followed by the preparation of an enforcement order (see enforcement category).

Enforcement: Permitting staff issue Notices of Violation, determine if a specific violation is high priority or low priority based on guidance from the USEPA, and prepare Technical Secretary's Orders based on the Notices of Violation, for Title V and conditional major sources. It is estimated that the staff will prepare approximately seventy (70) Orders for Title V sources during this fiscal year.

Emissions Inventory: The Emissions Inventory Program, when fully staffed, will begin assuming some of the responsibilities currently performed under contract by the University of Tennessee (UT) Knoxville. The requirements of the Consolidated Emissions Reporting Rule are complex, and work toward maintaining an accurate emissions database is significant. Staff members in this program have begun training with the University of Tennessee.

Special Projects: Permitting staff are frequently assigned special projects, including work with organizations such as VISTAS, presentations, Department work groups relative to Title V sources, this Workload Analysis document, etc.

Training: Training is a vital part of these programs, and staff are required to attend both internal and external training. Training is necessary to insure that new state and federal requirements are correctly interpreted, and to insure that the permit writers are familiar with the processes and control equipment at Tennessee's diverse source population. Technology is advancing at a rapid rate, and it is critical that the permitting staff are familiar with the changes affecting Tennessee's sources.

Program Management: This category includes all aspects of program management, including personnel and administrative issues, supervision, technical assistance, management meetings, program meetings, etc.

Summary: Table 1 below shows the current number of applications, modifications, reports, and enforcement orders in the system. Table 2 is a projection of the hours that will be necessary to review and complete the new submittals, as well as reduce the backlog.

TABLE 1: Current Backlog (as of 7/1/07) and Expected New Submittals

ACTIVITY	Currently in System	EXPECTED NEW SUBMITTALS
Title V Sources – New	31	4
Title V Sources – Renewal	120	38
First Time Conditional Major Sources	9	4
Significant Modifications	18	20
Non-Significant Modifications	266	179
Semi-annual Reports	474	584
Annual Compliance Certifications	205	251
Enforcement Orders (Permitting Only)	38	70
Construction Permits - Non-Major NSR	23	50
Construction Permits - Major NSR	2	3

TABLE 2: Projection of Hours

ACTIVITY	EST. TOTAL HOURS
Title V sources permit preparation – new sources	2,050
Title V sources permit preparation – renewals	7,950
Conditional major sources – 1 st issue	1,440
Significant Modifications	2,080
Non-significant modifications	5,896
Semiannual Report Review	5,180
Annual Compliance Certification Review	2,233
Program Management	6,500
Training and staff meeting	3,800
Special Projects	3,600
Annual emissions fees analysis and related work	1,000
Enforcement	1,750
Regulation and Standard Development	2,000
Permit preparation time for Title V, non-major NSR construction permits	4,450
Permit preparation time for major NSR permits	720
Emission Inventory	2,000
TOTAL	52,649

Combining the hours projected to complete the Title V work and dividing it by the 1,609 hours per employee available yields the following number of full time employees (FTE) doing Title V work in the Permitting Programs:

$$52,649/1,609 \text{ hours} = 32.7 \text{ FTE}$$

TECHNICAL SERVICES

CALCULATION BASIS

ASSUMPTIONS

- Actual time from activity sheets from July 1, 2006 through June 30, 2007 for staff.
- No anticipated significant changes from actual work performed last year. These figures represent a 0.6 FTE increase over the actual activities from last year's reported time. This is, however, -0.6 FTE's less than the projection from last year.

<i>AVAILABLE WORK TIME PER FTE</i>		<i>1609 HOURS/YEAR/FTE</i>
ACTIVITY		Est. Total Hours
AQS Data Loading Reporting		430
APC Data Management		350
Computer Hardware		20
Computer Software		10
CAM Maintenance Calibration Trouble Shooting		3000
Emergency Response		370
Quality Control		3300
Training Received		240
Training Given		100
Air Monitoring		1500
Program Management		1220
Other Time (Personnel Activities)/Administration		60
Air Quality Forecasting		2100
Modeling		400
Field QA Auditing		3000
TOTAL		16100
<p>Combining the hours projected to complete the Title V work and dividing it by the 1609 hours per employee available work time yields the following number of full time employees (FTE) doing Title V work in the Technical Services Program: FTE = 16100 hours/1609 hours/year</p> <p style="text-align: center;"><u>FTE =10.0</u></p>		

LABORATORY SUPPORT 2007-2008

The operation of the air-monitoring network in the State requires off-site laboratory analysis of some of the pollutants that are being monitored in the State. The particulate matter as well as the lead samples that are collected is submitted for analysis to the Division of Laboratory Services. The laboratory also prepares and provides the special sampling media necessary for the collection of the air quality samples described above. Upon receipt of the exposed sample media, the laboratory conducts sample documentation and any specialized sample preparation needed for sample analysis. Analysis of the samples is conducted employing manual and automated wet chemical techniques as well as standard gravimetric procedures. Upon completion of sample analysis that may require either single or multiple analysis on the sample submitted, the results are documented and written reports are generated describing the concentrations or levels detected.

The estimated laboratory costs attributable to Title V related air monitoring are listed below.

Laboratory Sample Analysis	\$50,544
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(This is the actual expense reported by the lab for analysis work performed in the past FY (06 – 07).

SUMMARY

Title V Activity	Estimated Cost
Laboratory Sample Analysis-----	\$50,544
Total Costs -----	\$50,544

**Division of Air Pollution Control
Comparison of FTEs by Fiscal Year**

Functional Unit	FY 2007-2008 Title V FTE's	FY 2006-2007 Title V FTE's	FY 2005-2006 Title V FTE's
Administrative Services	4.5	4.5	4.5
Director's Office	2.4	2.4	2.4
Office of General Counsel	1.0	1.0	1.0
Small Business Assistance Activities	4.0	4.0	4.0
Support Staff	7.8	7.8	7.8
Compliance Validation Activities	6.87	6.96	6.96
Enforcement Activities (see Permitting)	1.9	1.9	2.6
Environmental Field Offices	14.1	13.8	15.0
Mobile & Air Resources Management (MARM) Activities (Local Programs)	2.4	2.6	4.23
Permitting and Regulatory Development (Enforcement Included)	32.7	31.8	31.5
Technical Services Activities	10	10.6	8.6
Total Title V FTE's	87.67	87.36	88.59

Air Pollution Control
 Projected Title V Fees and Expenditures
 July 1, 2007– June 30, 2008

Estimated Total Tons		<u>230,489</u>
230,489 TOTAL		
213,772 Allowable x	\$27.50	5,878,730
16,717 Actual x	38.00	635,246
88 Sources at	5,000.00	440,000
Total		= <u>\$6,953,976</u>

Title V Estimated Expenditures

Title V Salaries and Benefits, Direct Division Expenses	\$5,626,976
Equipment Requirements	50,000
Laboratory Services	50,000
Indirect Program Costs	<u>1,227,000</u>
Total Title V Estimated Expenditures	<u>\$6,953,976</u>

This worksheet is designed to estimate the Title V allowable fee required to pay for the Title V permitting program and other costs associated with the program.

The following assumptions have been used in the estimate:

1. The number of allowable and actual chargeable tons for the fiscal year 2007/2008 has decreased from 257,989 tons for the fiscal year to 238,489 tons as of June 30, 2007. The number of 213,772 is an anticipated drop in allowable tonnage based on the drop in tonnage over the past seven years.
2. Indirect Program Costs include the following: Departmental, Bureau and Field Office support staff, information systems support, general services support, and other administrative support.
3. The estimated expenditures have been increased to reflect current and anticipated spending. The Title V salaries and benefits have increased and the indirect program costs are projected to remain the same or increase slightly over last year's workload analysis.